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October 2, 2020

VIA ELECTRONIC FILING

The Honorable Jocelyn Boyd
Chief Clerk / Executive Director
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, SC 29210

Re: Application of Duke Energy Carolinas, LLC for Approval of New Cost Recovery Mechanism and Portfolio of Demand-Side Management and Energy Efficiency Programs
Docket No. 2013-298-E
REQUEST FOR EXPEDITED APPROVAL OF MODIFICATIONS TO THE BRING YOUR OWN THERMOSTAT PROGRAM

Dear Ms. Boyd:

Duke Energy Carolinas, LLC (the "Company") seeks expedited Commission consideration and approval of certain modifications to its Bring Your Own Thermostat program ("BYOT Program"). As explained below, the modifications would add a winter component to the BYOT Program. The modifications would also provide an increased incentive for initial enrollees to attract customers to the BYOT program ahead of the 2020-2021 winter season and to provide financial assistance to residential customers who may be struggling due to the COVID-19 pandemic and potentially serve as a means to help customers that are behind on their electric bills.

The BYOT Program is administered through the "RIDER PM (SC), POWER MANAGER LOAD CONTROL SERVICE" tariff on file with the Commission which was originally included as part of the Company's initial suite of energy efficiency programs approved by Order No. 2009-336 in Docket No. 2009-166-E and was then referred to as the Power Manager program. The program enabled residential customers to receive a credit in exchange for allowing the Company to interrupt service to their central air conditioning systems during times of peak summer demand. The BYOT Program, approved in Order No. 2018-180, permitted the Company to add eligible thermostats and incentives to the program, and permitted the Company to offer the payment of incentives through various methods.

The Company now seeks to modify the BYOT Program to provide for the addition of a winter-focused load control component and to suspend new enrollments in the existing summer-only smart thermostat option after December 31, 2020. The Company is requesting these modifications in recognition of the increased need for



load control and peak demand reductions during the winter. The new component is “winter-focused” because, while the tariff contemplates that a majority of the Company’s load interruption events will occur during the winter season, the BYOT Program will continue to permit the Company to interrupt service to cooling systems during summer months.

To acquire customers for the 2020-2021 winter season and to provide assistance to customers struggling as a result of the COVID-19 pandemic, the Company is also proposing that winter participants receive an initial program incentive of \$90 through December 31, 2020. After that date, new participants will receive an initial program incentive of \$75. The incentive will be provided to customers in the form of an electronic debit card that can be used for bill payments or other purchases.

The program modifications are estimated to produce the cost effectiveness scores provided in the following table:

Cost Effectiveness Test	Anticipated Cost Effectiveness Results
Utility Cost Test (UCT)	1.90
Total Resource Cost Test (TRC)	3.10
Rate Impact Measure Test (RIM)	1.90
Participant Test	NA

Clean and redlined versions of the tariff are attached hereto as Exhibits A and B, respectively. The tariff modifications would also remove the exclusion for net metering customers, add standard tax and fee language, and add standard language permitting the Company to retain program benefits. See Order No. 2016-872 at 4, Docket No. 2013-298-E (Dec. 20, 2016); Order No. 2016-873 at 4, Docket No. 2015-163-E (Dec. 20, 2016). Upon Commission approval of these program modifications, the Company would file a compliance tariff with the Commission’s E-Tariff System and continue to recover program costs through the Company’s energy efficiency and demand side management (“EE/DSM”) rates in accordance with the approved EE/DSM cost recovery mechanism.

Upon approval of the program by the Commission, the Company will make the modified BYOT Program available to its customers in South Carolina as soon as reasonably possible. The Company appreciates the Commission’s expedited consideration of these program changes, which will not only improve this EE/DSM program but also provide a unique opportunity for the Company to provide assistance to residential customers during the ongoing COVID-19 pandemic.



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Kind regards,

Sam Wellborn

SJW:tch

Enclosure

c w/enc: Parties of Record (via email)
Heather Shirley Smith, Deputy General Counsel (via email)
Rebecca J. Dulin, Associate General Counsel (via email)
Katie M. Brown, Counsel (via email)

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RIDER PM (SC)
POWER MANAGER LOAD CONTROL SERVICE

AVAILABILITY (South Carolina only)

Available to individually metered residential customers receiving concurrent service from the Company on Schedule RS, RE, RB, RT or ES. Participating Customers may choose to employ (1) Company-provided Load Control Device(s) or (2) eligible Customer-owned thermostat(s) to interrupt service to each installed, approved electric central air conditioning unit(s) and/or approved electric heat pump(s) used for cooling, and/or approved electric heating source employing primary or backup electric resistance heating elements. Company shall be allowed to monitor their operation under the provisions of this Rider.

Customers choosing to employ Company-provided Load Control Device(s) contracts for Company or its representative to install and operate the necessary control equipment in a location provided by Customer and suitable to Company in or about the residential dwelling unit. This option is only available where Company has the necessary communications equipment installed and where load control signal can be satisfactorily received at Company's specified location on Customer's residence.

Customers choosing to employ their own eligible thermostat(s), listed on the Company's website, must have the thermostat(s) configured in a manner which allows the Company to remotely communicate and control Customer's equipment.

Company shall be allowed to monitor Customer's load or any part thereof and the operation of controlled appliances, at no charge, to Customer under the provisions of this Rider. To participate in the program, Customer must either own and occupy the residence or occupy and provide Company with owner-consent.

Summer-Only thermostat-based enrollments are suspended on December 31, 2020, and ongoing participation will be limited to participants in place on December 31, 2020. Winter-Focused participants must have thermostat control of approved central air conditioning and central heating units.

Switch-based participants cannot participate in thermostat-based program options, and thermostat-based participants cannot participate in both Summer-Only and Winter-Focused options.

PARTICIPATION INCENTIVES

Customer shall receive an Initial Incentive Payment following the successful installation and testing of the Load Control Device(s) or participating Customer's thermostat(s). Following each twelve months of continuous participation in the program, Customer shall receive an additional Annual Incentive. Monthly incentives will be provided to participating Customers for the billing months of July through October. Customer leaving the program may return anytime to the program but shall not receive the Initial Incentive Payment and must complete a twelve-month continuous participation on the program to receive an additional Annual Incentive.

PAYMENT OF INCENTIVES

The Company's payment of Incentives, at its discretion, may be offered in a variety of ways, including, but not limited to, bill credits, checks, and prepaid credit cards as follows:

Initial Incentive

- For Winter-Focused Participants with Customer-provided eligible Thermostat(s) - One Time \$90 per residence through December 31, 2020 and One Time \$75 per residence thereafter
- For Summer-Only Participants with Customer-provided eligible Thermostat(s) - One Time \$75 per residence

Monthly Incentive

- For participants with Company-provided Cooling Load Control Device(s) for billing months of July through October - \$8 per residence per billing month

Annual Incentive

- For Participants with Customer-provided eligible Thermostat(s) - \$25 per residence

The total credits on any monthly bill shall not exceed 35% of the current monthly bill calculated on the appropriate rate schedule exclusive of such credits. In addition, the monthly bill shall not be less than the Basic Facilities Charge for the applicable schedule.

Exhibit A

Duke Energy Carolinas, LLC

Electricity No. 4
South Carolina Fifth Revised Leaf No. 71
Superseding South Carolina Fourth Revised Leaf No. 71APPROVED CENTRAL AIR CONDITIONING UNIT

An approved electric central air conditioning and/or electric heat pump unit is a central electric air conditioning unit used to cool the residence through a ducted system. All central air conditioning and/or electric heat pump units installed at the residence must participate in load control in order to receive Monthly or Annual Incentive.

APPROVED CENTRAL HEATING UNIT

An approved electric central heating unit is a heating unit employing electric resistance heating elements, including air source heat pumps equipped with backup electric resistance heating elements, used to heat the residence through a ducted system. All heating units installed at the residence must participate in load control in order to receive the Annual Incentive.

INTERRUPTIONSummer-Only Participants

Company shall be allowed, at its discretion, to interrupt service to each air conditioner for up to four hours during each day of the summer control season months of May through September. Company reserves the right for longer interruption in the event continuity of service is threatened. Air conditioner interruptions shall be limited to a total of 60 hours during any one summer season.

Winter-Focused Participants

Company shall be allowed, at its discretion, to interrupt service to each heating system for up to four hours during each day of the winter control season months of December through March. Company reserves the right for longer interruption in the event continuity of service is threatened. Heating unit interruptions shall be limited to a total of 45 hours during any one winter season. Interruptions of heating and/or cooling systems for the remainder of the year are limited to a total of 15 hours.

All Participants

At its discretion, the Company may preheat or precool the customers equipment prior to interruption period.

The Company reserves the right to test the load control equipment at any time, and such test periods shall be counted towards the maximum hourly interruption limit. Customer shall have the option to override a control event; however, if Customer exceeds two (2) control event overrides in a single winter or summer control season, Customer may be subject to removal from the program and shall forfeit the next subsequent Annual Incentive for that controlled device season. A control event override is defined as Customer requesting exemption from part or whole of the interruption time period. If Company is unable to communicate with Customer's thermostat(s) during a load control event, it will be counted as a control event override.

EQUIPMENT INSPECTION AND SERVICING

For Company-provided Load Control Device(s), the Company or its agents shall have the right of ingress and egress to Customer's premises at all reasonable hours for the purpose of inspecting Company's wiring and apparatus; changing, exchanging, or repairing its property, as necessary; or removing its property after termination of service. Company and Customer shall schedule a convenient time for such purposes whenever it is necessary to service Company's equipment installed inside the residence. If any tampering with Company-owned equipment occurs, Company may adjust the billing and take other action in accordance with the Rules and Regulations of the Public Service Commission of South Carolina and the laws of the State of South Carolina as applicable to meter tampering.

CONTRACT PERIOD

The Contract Period shall not be less than one year. Customer or Company may terminate participation under the Rider by providing 30 days prior notice to the other party. If within the first year, the Customer wishes to discontinue participation in this Program, the Customers using Company provided Load Control Device(s) will pay a \$25 service charge and Customers who have received initial thermostat-based incentive will pay a \$75 service charge. Upon termination, the load control device(s), at Customer's residence will be remotely disabled to prevent further load control.

SALES AND FRANCHISE TAX OR PAYMENT IN LIEU THEREOF

To the above charges will be added any applicable South Carolina sales tax, and for those customers within any municipal or other local governmental jurisdiction, an appropriate amount to reflect any franchise fee, business license tax, or similar percentage fee or tax, or charge in lieu thereof imposed by such entity.

Exhibit A

Duke Energy Carolinas, LLC

Electricity No. 4
South Carolina Fifth Revised Leaf No. 71
Superseding South Carolina Fourth Revised Leaf No. 71

COMPANY RETENTION OF PROGRAM BENEFITS

Incentives and other considerations offered under the terms of this Program are understood to be an essential element in the recipient's decision to participate in the Program. Upon payment of these considerations, Company will be entitled to any and all environmental, energy efficiency, and demand reduction benefits and attributes, including all reporting and compliance rights, associated with participation in the Program.

RIDER PM (SC)
POWER MANAGER LOAD CONTROL SERVICEAVAILABILITY (South Carolina only)

Available to individually metered residential customers receiving concurrent service from the Company on Schedule RS, RE, RB, ~~RT~~ or ES, ~~who are not served under Rider NM~~. Participating Customers may choose to employ (1) Company-provided Load Control Device(s) or (2) eligible Customer-owned thermostat(s) to interrupt service to each installed, approved electric central air conditioning unit(s) and/or approved electric heat pump(s) used for cooling, and/or approved electric heating source employing primary or backup electric resistance heating elements, ~~and Company shall be allowed~~ to monitor their operation under the provisions of this Rider.

Customers choosing to employ Company-provided Load Control Device(s) contracts for Company or its representative to install and operate the necessary control equipment in a location provided by Customer and suitable to Company in or about the residential dwelling unit. This option is only available where Company has the necessary communications equipment installed and where load control signal can be satisfactorily received at Company's specified location on Customer's residence.

Customers choosing to employ their own eligible thermostat(s), listed on the Company's website, must have the thermostat(s) configured in a manner which allows the Company to remotely communicate and control Customer's equipment.

Company shall be allowed to monitor Customer's load or any part thereof and the operation of controlled appliances, at no charge, to Customer under the provisions of this Rider. To participate in the program, Customer must either own and occupy the residence or occupy and provide Company with owner-consent.

Summer-Only thermostat-based enrollments are suspended on December 31, 2020, and ongoing participation will be limited to participants in place on December 31, 2020. Winter-Focused participants must have thermostat control of approved central air conditioning and central heating units.

Switch-based participants cannot participate in thermostat-based program options, and thermostat-based participants cannot participate in both Summer-Only and Winter-Focused options.

PARTICIPATION INCENTIVES

Customer shall receive an Initial Incentive Payment following the successful installation and testing of the Load Control Device(s) or participating Customer's thermostat(s). Following each twelve months of continuous participation in the program, Customer shall receive an additional Annual Incentive. Monthly incentives will be provided to participating Customers for the billing months of July through October. Customer leaving the program may return anytime to the program but shall not receive the Initial Incentive Payment and must complete a twelve-month continuous participation on the program to receive an additional Annual Incentive.

PAYMENT OF INCENTIVES

The Company's payment of Incentives, at its discretion, may be offered in a variety of ways, including, but not limited to, bill credits, checks, and prepaid credit cards as follows:

Initial Incentive

- For Winter-Focused Participants with Customer-provided eligible Thermostat(s) - One Time \$90 per residence through December 31, 2020 and One Time \$75 per residence thereafter
- For Summer-Only Participants with Customer-provided eligible Thermostat(s) - One Time \$75 per residence

Monthly Incentive

- ~~Monthly Incentive for~~ For participants with Company-provided Cooling Load Control Device(s) for billing months of July through October - \$8 per residence per billing month.

Annual Incentive

- ~~Initial Incentive for Customer provided eligible Thermostat(s) - \$75 per residence~~
- ~~Annual Incentive for~~ For Participants with Customer-provided eligible Thermostat(s) - \$25 per residence

Exhibit B

Duke Energy Carolinas, LLC

Electricity No. 4

South Carolina ~~Fourth-Fifth~~ Revised Leaf No. 71
Superseding South Carolina ~~Third-Fourth~~ Revised Leaf No. 71

The total credits on any monthly bill shall not exceed 35% of the current monthly bill calculated on the appropriate rate schedule exclusive of such credits. In addition, the monthly bill shall not be less than the Basic Facilities Charge for the applicable schedule.

APPROVED CENTRAL AIR CONDITIONING UNIT

An approved electric central air conditioning and/or electric heat pump unit is a central electric air conditioning unit used to cool the residence through a ducted system. All central air conditioning and/or electric heat pump units installed at the residence must participate in load control in order to receive Monthly or Annual Incentive.

APPROVED CENTRAL HEATING UNIT

An approved electric central heating unit is a heating unit employing electric resistance heating elements, including air source heat pumps equipped with backup electric resistance heating elements, used to heat the residence through a ducted system. All heating units installed at the residence must participate in load control in order to receive the Annual Incentive.

INTERRUPTION PERIODSSummer-Only Participants

Company shall be allowed, at its discretion, to interrupt service to each air conditioner for up to four hours during each day of the summer control season months of May through September. Company reserves the right for longer interruption in the event continuity of service is threatened. Air conditioner interruptions shall be limited to a total of 60 hours during any one summer season.

Winter-Focused Participants

Company shall be allowed, at its discretion, to interrupt service to each heating system for up to four hours during each day of the winter control season months of December through March. Company reserves the right for longer interruption in the event continuity of service is threatened. Heating unit interruptions shall be limited to a total of 45 hours during any one winter season. Interruptions of heating and/or cooling systems for the remainder of the year are limited to a total of 15 hours.

All Participants

At its discretion, the Company may preheat or precool the customers equipment prior to interruption period.

~~The Company shall have the right to interrupt service to the Customer's central air conditioning (cooling) systems at any time the Company has capacity problems, including generation, transmission or distribution capacity problems or reactive power problems.~~

~~In addition, the Company shall have the right to intermittently interrupt (cycle) service to the Customer's central electric air conditioning (cooling) systems. The Company will restrict its operation of the load control devices so that during the eighteen (18) hour period from 6:00 a.m. to 12 midnight, the total duration of cycling interruption shall not exceed ten (10) hours.~~

~~The Company, at its sole discretion, may limit requests for curtailment to geographic regions for valid reasons. The Company reserves the right to test the function of these load control provisions equipment at any time.~~

~~If, and such test periods shall be counted towards the maximum hourly interruption limit. Customer employing thermostat shall have the option to override a control event; however, if Customer exceeds two (2) control event overrides annually in a single winter or summer control season, Customer may be subject to removal from the program and shall forfeit the next subsequent Annual Incentive for that residence controlled device season. A control event override is defined as Customer requesting exemption from part or whole of the interruption time period. If Company is unable to communicate with Customer's thermostat(s) during a load control event, it will be counted as a control event override.~~

EQUIPMENT INSPECTION AND SERVICING

For Company-provided Load Control Device(s), the Company or its agents shall have the right of ingress and egress to Customer's premises at all reasonable hours for the purpose of inspecting Company's wiring and apparatus; changing, exchanging, or repairing its property, as necessary; or removing its property after termination of service. Company and Customer shall schedule a convenient time for such purposes whenever it is necessary to service Company's equipment installed inside the residence. If any tampering with Company-owned equipment occurs, Company may adjust the billing and take other action in accordance with the Rules and Regulations of the Public Service Commission of South Carolina and the laws of the State of South Carolina as applicable to meter tampering.

CONTRACT PERIOD

South Carolina ~~Fourth-Fifth~~ Revised Leaf No. 71

Effective for service on and after ~~March 14,~~
~~2018~~

PSCSC Docket No. 2013-298-E

Order No. ~~2018-180~~

Exhibit B

Duke Energy Carolinas, LLC

Electricity No. 4

South Carolina ~~Fourth-Fifth~~ Revised Leaf No. 71Superseding South Carolina ~~Third-Fourth~~ Revised Leaf No. 71

~~The Company offers a contract for customers allowing load control for an initial term of one year and thereafter until terminated by either party on thirty days' written notice. The Company reserves the right to terminate the Customer's contract under this Rider at any time upon notice to the Customer for violation of any of the terms or conditions of the applicable schedule or this Rider. The Contract Period shall not be less than one year. Customer or Company may terminate participation under the Rider by providing 30 days prior notice to the other party.~~ If within the first year, the Customer wishes to discontinue participation in this Program, the Customers using Company provided Load Control Device(s) will pay a \$25 service charge and Customers who have received initial thermostat--based incentive will pay a \$75 service charge. Upon termination, the load control device(s), at Customer's residence will be remotely disabled to prevent further load control.

SALES AND FRANCHISE TAX OR PAYMENT IN LIEU THEREOF

To the above charges will be added any applicable South Carolina sales tax, and for those customers within any municipal or other local governmental jurisdiction, an appropriate amount to reflect any franchise fee, business license tax, or similar percentage fee or tax, or charge in lieu thereof imposed by such entity.

COMPANY RETENTION OF PROGRAM BENEFITS

Incentives and other considerations offered under the terms of this Program are understood to be an essential element in the recipient's decision to participate in the Program. Upon payment of these considerations, Company will be entitled to any and all environmental, energy efficiency, and demand reduction benefits and attributes, including all reporting and compliance rights, associated with participation in the Program.

South Carolina ~~Fourth-Fifth~~ Revised Leaf No. 71Effective for service on and after ~~March 14,~~
2018

PSCSC Docket No. 2013-298-E

Order No. ~~2018-180~~